

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

TRAVELERS PROPERTY CASUALTY
COMPANY OF AMERICA, a foreign
insurer, THE TRAVELERS INDEMNITY
COMPANY OF CONNECTICUT, a foreign
insurer,

Plaintiffs,

and

ATLANTIC SPECIALTY SINSURANCE
COMPANY,

Intervenor,

v.

PRIME PACIFIC BANK N.A., a Washington
financial association; PPB SUNSET 100
PROPERTIES, LLC, a Washington Limited
Liability Company; SUNSET 121
CONDOMINIMUM OWNERS
ASSOCIATION, a Washington Non-Profit
Corporation; DEAN STRONG, an individual;
PETER LAYLIN, an individual; SARA
LIBERTY LAYLIN, an individual;
RICHARD PUGH, an individual; LORETTA
SORENSEN, an individual; and MARCIA
RIZZUTO, an individual; MORRIS KINNE,
an individual; KATHERINE ANN KINNE,
an individual, CHUCK AND JANE DOE
DODD, individuals and as a marital
community; MEGAN AND JOHN DOE
REED, individually and as a marital
community,

Defendants.

No. 2:16-cv-01451

**STIPULATION AND PARTIAL
ORDER OF DISMISSAL**

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I. STIPULATION

Plaintiffs Travelers Property Casualty company of America and The Travelers Indemnity Company of Connecticut (hereinafter collectively “Travelers”), and Defendants Prime Pacific Bank NA (now known as Bank of the Cascades) (the “Bank”), PPB Sunset 100 Properties, LLC (the “LLC”), and Chuck Dodd and Megan Reed, individually and in their capacities as officers and directors of the Bank and managers of the LLC (“Dodd and Reed”), by and through their attorneys of record, hereby Agree and Stipulate as follows:

1. Any and all extra-contractual claims asserted by the Bank, the LLC, and Dodd and Reed asserted in their Amended Answer and Counterclaims filed in this matter (Dkt. at 43) are dismissed with prejudice, and without recovery. This dismissal includes all claims for bad faith, violation of the Washington Insurance Fair Conduct Act, violation of the Washington Consumer Protection Act, claims for attorney’s fees and costs, and any other claims for extra-contractual damages, including statutory attorney’s fees arising from any acts or omissions on the part of Travelers occurring on or before May 11, 2017. The Bank, the LLC, and Dodd and Reed reserve the right to assert or seek to assert extra-contractual claims based on acts or omissions occurring after May 11, 2017; Travelers reserves all rights and defenses as to any extra-contractual claims based on acts or omissions occurring after May 11, 2017.

2. The dismissal by the Bank, the LLC, Dodd and Reed includes any claims for *Olympic Steamship* fees by the Bank, the LLC, or Dodd and Reed for any claims for insurance coverage for the LLC, including specifically any claims for coverage by Dodd and Reed in their capacities as Managers, officers, or directors of the LLC. This dismissal does not include claims for *Olympic Steamship* fees by the Bank, and/or Dodd and Reed, solely in their capacities as Managers, officers and directors of the Bank.

1 3. Pursuant to FRCP 41, Travelers voluntarily dismisses from the Complaint
2 (Dkts. 1 and 26-1) certain Policy provisions for which Travelers has alleged that there may be
3 an actual and justiciable controversy. The voluntary dismissal of these Policy provisions shall
4 be without prejudice. The parties stipulate and agree that the dismissal of these Policy
5 provisions is not a waiver on the part of Travelers to rely on these Policy provisions if
6 evidence in the Underlying Lawsuit implicates these Policy provisions. In the event that
7 evidence is introduced at the trial of the Underlying Lawsuit, or otherwise becomes known or
8 available, Travelers shall have the right to amend its Complaint to reassert any or all of the
9 dismissed Policy provisions that may be applicable. The specific Policy provisions that are
10 the subject of this paragraph are the following:

- 11 • The “Your product” exclusion
- 12 • The “Recall” exclusion
- 13 • The “Mold” exclusion
- 14 • The “Community Bank Financial Professional Services” and the
15 “Professional Community Bank Services” exclusions
- 16 • The “Fiduciary Property Liability” exclusion

17 DATED this 31th day of May, 2017.

18 **Counsel for Travelers Property Casualty**
19 **Company of America and The Travelers**
20 **Indemnity Company of Connecticut:**

21 **By: Thomas Lether**

22 Thomas Lether, WSBA #18089

23 Eric J. Neal

24 Eric J. Neal, WSBA #31863

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1 **Counsel for Plaintiffs Prime Pacific Bank,**
2 **N.A., PPB Sunset 100 Properties, LLC,**
3 **Dodd, and Reed :**

4 **By: /s/ Dale L. Kingman**

5 Dale L. Kingman, WSBA #07060

6 **/s/ Greg D. Pendleton**

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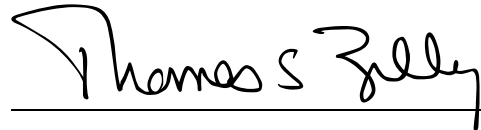
12 Email: dkingman@gordontilden.com

13 Email: gpendleton@gordontilden.com

14 **II. ORDER**

15 IT IS SO ORDERED

16 Dated this 1st day of June, 2017.

17 

18 Thomas S. Zilly
19 United States District Judge